

**Minneapolis Park & Recreation Board
Acquisition of the Edison Hockey Property**

Terms Outline

1. The City of Minneapolis (the City) owns the property and land known as the Edison Hockey Arena (the Arena).
2. The City's Interest in the Arena is subject to a lease-purchase-agreement (the Lease) in which the City is Lessee and Wells Fargo is lessor.
3. The Edison Youth Hockey Association (EHYA) is a sub-lessee of the City under the terms of a Sublease Lease Agreement (the Sublease).
4. EHYA is in default under the Sublease. Under the terms of the Sublease, the City may terminate EHYA's interest in the Sublease 60 days after giving written notice. Formal written notice was provided EHYA on September 30, 2004.
5. The Minneapolis Park and Recreation Board (the Park Board) will acquire the Arena from the City under the following terms:
 - a. On a date no later than July 1, 2006 (the Acquisition Date) the Park Board will purchase the Arena (land, building, equipment and all furnishings) from the City for the outstanding note termination value and accrued interest owed Wells Fargo on this date. The Park Board assumes no liabilities of the City or the EHYA. The acquisition is contingent on obtaining third party financing.
 - b. The City and the Park Board will have an agreement for the purchase of the Arena finalized by a date no later than April 1, 2006.
 - c. The City will use proceeds from the sale to redeem all outstanding principal and accrued interest due Wells Fargo on the Acquisition Date.
 - d. The Park Board is free to negotiate a separate use agreement with EHYA or any other potential user groups of the facility. The City makes no guarantee as to the amount of revenue to be generated by the facility.
 - e. The Park Board will pay the City 50% of any surplus of annual Arena revenues in excess of annual direct expenses, including debt and interest payments, a \$60,000 annual payment to a repair and replacement reserve, excluding depreciation through December 31,

2016, over and above any accumulated prior year annual operating deficits, up to the amount of EHYA's unpaid sublease payments to the City (\$187,000). Annual payments, if any, will be made not later than April 1 of the following year.

- f. If the Park Board sells the Arena prior to 7/1/2016, the Park Board will pay the City 50% of the sale price in excess of the amount of debt outstanding to the Arena and the accumulated annual deficits, not to exceed the remaining balance of EHYA's unpaid Sublease payments owed to the City (\$187,000) less any annual operating surplus payments paid to the City under section 5.e. above.